

Spain faces massive decline in population

Xavier Bosch *Barcelona*

The Spanish population will decrease by 9.4 million in the next 50 years, according to a report released last month by the United Nations' population division. This represents a 24% net loss in its current population.

The reason is the low birth rate of the country, which at 1.2 children per woman is one of the lowest in the world.

Joseph Chamie, director of the UN population division, said: "In 2050, Spain will be the country with the highest percentage of old people in the world." Currently, the over 65 age group makes up 17% of the Spanish population. If current trends continue, this will rise to 37% by 2050, which represents a total increase of 117% of this age group by that year.

Although Spain's situation is the most extreme, it is mirrored by developments elsewhere in Europe. The number of people aged over 65 is going to increase, in the same period, by 104% in Switzerland, 92% in Italy, 73% in Germany, and 56% in the United Kingdom.

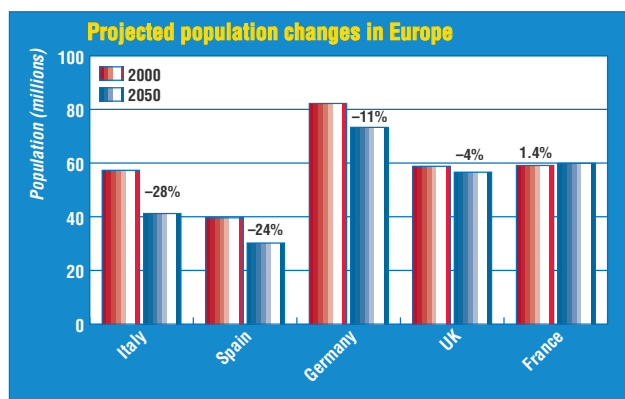
To maintain a constant population size, Spain should accept an average of 170 000 immigrants a year during the next 50 years. However, to maintain a

constant working age population (15-64 years), an average of 260 000 immigrants a year would be needed.

Moreover, to maintain the current potential support ratio (the number of people of working age per older person), Spain should accept an annual average of 1.58 million immigrants until 2050. This figure is totally "unattainable," said Mr Chamie. "Clearly, it is impossible to sort out the problem of the progressive ageing of the Spanish population by means of immigration. Other European countries such as Italy and Germany will cope with a similar handicap," he said.

The UN report, *Replacement Migration: Is it a Solution to Declining and Ageing Populations?*, examines the situation of low fertility countries (those with fewer than 2.1 children per woman) and tries to find out whether replacement migration (international migration needed by a country to prevent population decline and ageing resulting from low fertility and mortality rates) may be a solution.

According to the report, the populations of most developed countries are projected to become smaller and older as a result of low fertility and



Italy and Spain face reductions of a quarter in their populations

increased longevity. Italy is projected to register one of the largest population declines in relative terms, losing 28% of its population between 1995 and 2005. By 2050, 35% of Italians will be aged over 65, compared with 18% today.

Thus, by that date, Spain and Italy will be the countries with the highest proportions of elderly people in the world (37% and 35% respectively). To maintain the size of its working age population, Italy would require 6500 immigrants per million inhabitants annually; Germany would need 6000 per million inhabitants.

The report indicates that population decline is inevitable in Europe in the absence of replacement migration. Although fertility may increase again in the coming decades, "few believe that

it will recover sufficiently in most countries to reach replacement level in the foreseeable future."

The report says, however, that maintaining potential support ratios at current levels through replacement migration alone seems out of reach "because of the extraordinarily large numbers of immigrants that would be required."

Hence, said Mr Chamie, "if we rule out massive immigration, the only solution to maintain the potential support ratios at current levels in most European countries would be to increase the upper limit of the working age population to roughly 75 years of age." □

Replacement Migration: Is it a Solution to Declining and Ageing Populations is available at www.un.org/esa/population/migration.htm.

NHS bill for negligence set to soar again

Clare Dyer *legal correspondent, BMJ*

The NHS bill for clinical negligence claims is set to soar again following a Court of Appeal test case last week and a consultation exercise by the lord chancellor.

An unprecedented five judge appeal court ruled last week that damages for pain, suffering, and loss of amenity for the most severely injured claimants should go up by a third from the previous maximum of £150 000 (£240 000).

The ruling will have an impact on most of the cases of children who sustain damage at

birth and are left with cerebral palsy. Two of the eight test cases fell into that category. In both cases the children had their damages increased from £135 000 to £175 000.

The ruling affects only "non-pecuniary" damages—those intended to compensate the claimant for the effects of the injuries on bodily functions and enjoyment of life. But the damages for future care and loss of future earnings—typically £2-3m in serious cases—are also likely to rise when the lord chancellor, Lord Irvine, completes his consultation on damages awards.

Lord Irvine has been under pressure to reduce the notional rate of return on investment, which determines the size of the lump sum needed to compensate a severely injured accident

victim. Damages rose substantially in 1998 after a test case reduced the return from 4.5% to 3%, on the basis that accident victims could be expected to invest their money not in equities, which were too risky, but in risk free gilts, which give a lower return.

Since then, the return on gilts has dropped, and Lord Irvine is being pressed to reduce the notional rate to 2%, which could add more than £200 000 to the biggest awards. As lord chancellor he has power to set a rate, but if he fails to do it the courts may reduce the rate through test cases.

His consultation paper, which asks for responses by 31 May, also suggests possible alternatives to lump sum awards—such as periodical payments, reviewable by the courts.

The appeal court's decision to boost the largest pain and suffering awards by a third came as a relief to the NHS, because the court rejected a recommendation from the Law Commission for an increase of 50% to 100%.

Lord Woolf, master of the rolls, said that such an increase would have had "a significant effect on the overstretched resources of the NHS." The impact on NHS resources "should not be ignored."

The court ordered tapered increases up to a maximum of a third for those at the highest level, but no increase for awards below £10 000. □

Damages: The Discount Rate and Alternatives for Lump Sum Payments (consultation paper) is available at www.open.gov.uk/lcd.